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SUBJECT: CARICOM LEADERS ADDRESS CRIME, TOURISM, ECONOMIC  
COOPERATION IN NASSAU

REF: STATE 17705

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SUMMARY  
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[11](#). (U) CARICOM heads of government gathered in Nassau March 7-8 for an inter-sessional Heads of Government meeting that focused on preventing crime, lowering the cost of living, and improving domestic economic links with their important tourism sectors. Reflecting mounting concerns throughout the region about violent crime, CARICOM leaders agreed to hold a special summit to address crime concerns in April in Trinidad, and agreed to Prime Minister Ingraham's proposal to make tourism a permanent agenda item in view of its singular economic importance to the region. The Heads of Government also institutionalized a "functional cooperation" mechanism under Bahamian leadership within CARICOM but outside of the single-market framework. This allowed Prime Minister Ingraham to demonstrate cooperation with CARICOM on The Bahamas' own terms -- important for him domestically -- while urging regional responses to global economic challenges, especially U.S. economic woes which loomed over the proceedings. END SUMMARY.

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LEADERS MEET AMIDST SPIRALING CRIME AND ECONOMIC UNCERTAINTY  
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[12](#). (U) Amidst regional anxiety about rising murder rates and U.S. economic woes, Prime Minister Hubert Ingraham of The Bahamas chaired the 19th Inter-Sessional Meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM) in Nassau March 7-8. The Prime Ministers of Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Haiti, Jamaica, St. Kitts and Nevis, Saint Lucia, and Trinidad and Tobago, as well as the Presidents of Guyana and Suriname, attended. Cabinet officials represented Montserrat and St. Vincent and the Grenadines, and associate members Turks and Caicos Islands and Bermuda. The Charge attended the opening ceremony, a lunch for participants, and an evening reception following the first day of high-level meetings. Meetings of the Council for Trade and Economic Development (COTED) and the Council for Finance and Planning (COFAP) were held March 3-6, contributing to a lengthy final communique on March 8. Observers termed the event a success both from the Bahamian and regional points of view.

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CALLS FOR REGIONAL INTEGRATION, UNITY ON CRIME  
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[13](#). (U) At the opening session March 7, Secretary General of CARICOM Edwin Carrington called for regional unity of purpose on the goal of integration, saying "time is not on our side." Citing the weakness in the U.S. economy and high energy

prices as urgent regional challenges, he argued that integration needed to proceed to a higher level to meet these rapidly evolving challenges. Prime Minister David Thompson of Barbados expressed solidarity with Guyana over what he called senseless crime, in the wake of massacres in Bartica and Lusignan, and called on CARICOM to offer whatever assistance was necessary to help Guyana protect its people. "If one of our member governments is perceived as incapable of bringing criminals to justice," he said, "then what is there to stop criminals elsewhere from challenging the authority of governments?" He also lauded his predecessor, Owen Arthur, for his contribution to deepening relations among CARICOM states, in particular through the establishment of the CARICOM Single Market and Economy (CSME).

14. (U) Setting the stage for the discussions in his opening remarks, Prime Minister Ingraham said there had been a "seminal shift in world relations following the events of 9/11." While today's challenges may not be as dramatic as those of 9/11 and its aftermath, he maintained that "many of the issues confronting our people today are just as serious." Specifically, he observed that the "economic downturn in the U.S." and "the high and increasing cost of fuel" was "negatively impacting all of our tourism economies and increasing the cost of living for our people." He pointed to the sub-prime meltdown and "collapse" of the U.S. housing market as factors that would negatively impact travel to the Caribbean. In the face of these threats, he warned that the region's tourism sector was "stalling."

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INGRAHAM TOUTS TOURISM, DECRIES CRIME, HIGHLIGHTS HEALTH  
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15. (U) To meet these challenges, Ingraham said closer Caribbean cooperation in tourism was needed, given tourism's crucial importance for most of the member states. He called for more to be done in product development, service standards, marketing, eco-tourism, and sustainable tourism, and proposed that a special session on tourism be held in July 2008 in conjunction with CARICOM's annual Heads of Government meeting. Ingraham drew particular attention to the inadequacy of links between domestic agriculture and marine sectors and tourism in many Caribbean economies, saying "none of us has achieved the all-important goal of linking our agricultural and marine resources sectors to the consumer sectors of our economies" in order to lower food prices and imports, and thereby decrease the cost (and increase the competitiveness) of the tourism product. He pointed out that "this makes the threat of the loss of preferential access to developed world markets for our exports even more serious." He suggested CARICOM states take lessons from the Economic Partnership Agreement (EPA) recently concluded with the EU "so as to inform our economic and commercial relations with our trading partners, near and far."

16. (U) Prime Minister Ingraham then turned his attention to shared law enforcement concerns in the region, noting rising crime levels, an unabated illicit drug trade, and "the expansion of a gun culture in our region with awful social and economic consequences." Referring to the HIV-AIDS pandemic in the region, where infection rates lag behind only sub-Saharan Africa, Ingraham pointed to the proliferation of non-communicable diseases (such as obesity or diabetes, so-called "rich country diseases" whose prevalence is on the increase in The Bahamas), and highlighted the importance of promoting wellness as a national policy.

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URGES ECONOMIC COOPERATION OUTSIDE OF CSME  
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17. (U) Ingraham hailed the July 2007 Heads of Government meeting in Barbados which established a CARICOM task force (now sub-committee) on functional cooperation. Ingraham, who now chairs this sub-committee, characterized this as "very

correctly" shifting the focus of CARICOM cooperation "away from the mechanics of economic integration and towards investment in human and social development." While not belittling the goal of achieving a single market economy, he said, "(it) permits the Community to develop proper mechanisms to increase the participation of non-CSME member-states like The Bahamas in all of the cooperative activities of the Community." He expressed the hope that "this continuing effort by Caribbean leaders to reorganize and redefine the Community's institutions" would ensure CARICOM's continued relevance to the region's people.

18. (U) Ingraham called for national and regional responses to "changing global (economic) realities" to include trade and investment liberalization and improved education and access to information technology, as part of making "human and social development" a pillar of CARICOM work. "This is essential," he concluded, "if we are to ensure that economic growth and development in our countries translate into job creation and entrepreneurial and social opportunity for our citizens."

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OUTCOMES: CRIME, SECURITY, TOURISM, COST OF LIVING  
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19. (U) CARICOM leaders agreed to meeting again in April at a Special Summit on Regional Security to address crime concerns and to draft a strategy "to stem the rising tide of violent criminality" across the region. This summit will be preceded by an extraordinary joint meeting of police and military chiefs. The Heads of Government reaffirmed their commitment to security systems put in place for the Cricket World Cup in 2007, accepted Ingraham's proposal to make tourism a permanent agenda item in view of its economic importance, and agreed to devote a day at the July 2008 meeting in Antigua to tourism. Heads of government addressed the high cost of living by approving suspension for two years of the Common External Tariff on a set of commodities identified as having significant weight in the consumer price index. The Task Force on Functional Cooperation chaired by Ingraham was established as a Prime Ministerial Sub-Committee which cited "human and social development as a pillar of the Community's work", according to the final communique. Human resource development, health, HIV-AIDS, free movement of skilled labor, agriculture, youth development, and moves toward a single economy were also cited as regional agenda items.

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INTERNATIONAL ISSUES -- AND SHOUT-OUT TO CASTROS  
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110. (SBU) Touching on other hemispheric concerns, CARICOM leaders agreed that the Second Conference on the Caribbean should take place in New York in June 2008, discussed bilateral border issues (Belize-Guatemala, Guyana-Venezuela), welcomed the agreement to settle the Ecuador-Colombia dispute, and committed to approving the EPA with the EU by June 30. Heads of Government reiterated their support for Antigua and Barbuda in their WTO dispute with the U.S. and, in one discordant note, paid tribute to "His Excellency Fidel Castro who recently relinquished his presidency of Cuba, bringing to a close an historic chapter in his political life and in that of the Caribbean" and extended congratulations to Raul Castro.

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COMMENT  
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111. (SBU) From a domestic Bahamian perspective, Prime Minister Ingraham appears to have successfully balanced the country's CARICOM commitments with its CARICOM-skeptical public by framing cooperation with CARICOM on Bahamian terms -- that is, outside of CSME, but open to regional responses to global economic challenges. With a small population and limited domestic market in a well-developed tourism-based

economy, Bahamian businesses would appear well-placed to take advantage of sectoral investment opportunities in other Caribbean markets. And, with its big hotels and millions of U.S. visitors, The Bahamas is also a lucrative market for intra-Caribbean exports such as fresh produce. The potential for intensified Bahamian links with Haiti, for example, exists in both directions. From a regional perspective, the Nassau meeting helped frame some potentially beneficial areas for intensified cooperation such as tourism linkages, intra-regional transportation, and energy. At the end of the day, however, crime and global economic uncertainties are the dominant concerns and looming challenges for the region.

SIEGEL